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HAGOP T. BEDOYAN, CSB NO. 131285
JACOB L. EATON, CSB NO. 244834
LISA A. HOLDER, CSB NO. 217752
KLEIN, DENATALE, GOLDNER,
COOPER, ROSENLIB & KIMBALL, LLP
5260 N. Palm Avenue, Suite 201
Fresno, California 93704
Telephone: (559) 438-4374
Facsimile: (559) 432-1847
Email: hbedoyan@kleinlaw.com;
jeaton@kleinlaw.com; lholder@kleinlaw.com

Proposed Attorneys for Debtor-in-Possession

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA

In re:

CLUB ONE CASINO, INC.,

Debtor-in-Possession.

Case No. 15-14017

Chapter 11

DC No. KDG-1

Emergency Hearing Date: October 16, 2015

Emergency Hearing Time: 9:30 a.m.

Place: United States Bankruptcy Court

2500 Tulare Street, Fifth Floor

Department B, Courtroom 12

Fresno, California

Judge: Honorable Rene Lastreto II

EMERGENCY MOTION TO USE CASH COLLATERAL
AND GRANT ADEQUATE PROTECTION

MOTION

CLUB ONE CASINO, INC., Debtor and Debtor in Possession ("Debtor" or "COCI"), respectfully moves the court for an order authorizing it to use "cash collateral" in the form of cash on hand, money on deposit, and accounts receivable ("the Cash Collateral"), and to grant adequate protection to secured creditors asserting an interest in the Cash Collateral (i) on an interim basis, on the terms and conditions set forth in the interim order annexed hereto as

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1 **Exhibit “A”** (“Interim Order”);¹ and (ii) on a final basis, after a final hearing. In support of
 2 this motion (the “Motion”), Debtor represents the following:

3 SUMMARY

4 1. COCI filed a Chapter 11 case (the “Case”) on October 14, 2015, Case No. 15-
 5 14021-B-11.

6 2. Secured party: KMGI, Inc. (“KMGI” or the “Senior Lender”). Amount owed:
 7 \$24,290,150.00.

8 3. Cash Collateral value: Cash on deposit (\$965,925.52); Cash on hand
 9 (\$316,711.50); Accounts Receivable (\$2,846,212.00).

10 4. Total cash expected to be generated through March 31, 2016: \$10,510,333.00.

11 5. Proposed cash collateral use through March 31, 2016: \$10,485,157.00 (with
 12 Permitted Variances as such term is defined in the Interim Order.

13 6. Proposed adequate protection to Senior Lender: continue to operate business,
 14 generate income, and give replacement lien on post-petition collateral of like kind and to the
 15 same extent as existed prior to commencement of Debtor’s case and monthly adequate
 16 protection payments of \$50,000.00.

17 JURISDICTION AND VENUE

18 7. Debtor commenced this Case by filing its Voluntary Petition under Chapter 11
 19 of the United States Bankruptcy Code, 11 U.S.C. § § 101, *et seq.* (the “Bankruptcy Code”), on
 20 October 14, 2015. There is no Chapter 11 trustee and Debtor is also a Debtor in Possession.
 21 The Debtor’s parent company, Club One Acquisition Corp. (“COAC”) also commenced a
 22 Chapter 11 case on October 14, 2015.

23 8. This Court has jurisdiction under 28 U.S.C. §§ 1334 and 157. This is a “core”
 24 proceeding under 28 U.S.C. § 157(b)(2)(A) and (M). These matters have been referred to the
 25 Court by United States District Court for the Eastern District of California according to
 26 General Orders 182 and 223.

27 9. Venue is properly in this Court under 28 U.S.C. § 1409(a).

28 ¹ To the extent any discrepancy exists between any provision described in this Motion and as set forth in the
 Interim Order, the terms and conditions of the Interim Order shall control.

10. Under 11 U.S.C. § 363(b) & (c), Rules 9014, 4001(b), 2002(a)(2) of the Federal Rules of Bankruptcy Procedure (“FRBP”) and Local Rule 4001-1(c) & 9014-1(f)(4), Debtor seeks an order of the Court authorizing the use of the Cash Collateral, and to grant adequate protection to secured creditors asserting an interest in the cash collateral.

A. INTRODUCTION

11. Debtor was incorporated on March 28, 1994, for the purpose of operating an entertainment complex located in central Fresno called Club One Casino. Club One Casino began operation in November 1995 and includes a gaming facility, bar, restaurant and banquet facilities, administration, satellite wagering, and security offices. The gaming facility includes 51 card-tables contained in designated settings that allow patrons to engage in various table games as allowed under state law. Over its two decades in business, the Debtor has grown to become a significant community presence, a substantial taxpayer and a major employer in the Fresno area: it currently has about 280 active employees with a semi-monthly gross payroll of approximately \$265,000.00.

12. Since 2008, the Debtor has suffered from litigation generated by its former owners – George Sarantos (“Sarantos”) and Elaine Long (“Elaine”). Sarantos and Elaine - who already have received over \$22 million in cash from their sale of the Club One Casino to the Debtor’s current ownership - are seeking an additional \$2.7 million. Despite the best efforts of the Debtor and its ownership to resolve disputes with Sarantos and Long on a consensual basis, the former owners continue to pursue aggressive collection efforts against Club One Casino. Sarantos, together with certain former employees of the Debtor and others, also engaged in activities to harm the Debtor by using unlawful financing to relocate and expand a competitor to Club One Casino, called the Clovis 500 Club.

13. The Debtor and its parent holding company were forced to commence their Chapter 11 cases in order to forestall Sarantos and Long's attempts to obtain the appointment of a receiver over Club One Casino, to preserve its on-going business operations and to address

1 financial challenges to its business precipitated by unlawful competition from Clovis 500 Club
2 by restructuring its debts through the reorganization process.

3 **B. FORMATION AND BACKGROUND**

4 14. COCI, a California S corporation, was founded by Sarantos and Charles “Bud”
5 Long in 1994. In 2002, Long transferred his 50% interest in COCI to his wife, Elaine. In July
6 of 2006, Sarantos, Elaine, and Kyle Kirkland (“Kirkland”), as principal for Kirkland Messina,
7 Inc., signed a Letter of Intent (“LOI”) providing that a newly formed company would purchase
8 COCI from Sarantos and Elaine for \$27,500,000. The sale was concluded in 2008 under the
9 terms of a certain Acquisition Agreement described below.

10 15. COCI is a wholly owned subsidiary of COAC”. COAC was created for the sole
11 purpose of holding the shares of COCI, which allowed the Senior Lender to hold a security
12 interest in COAC’s shares of COCI. The shares of COAC are owned by individuals licensed
13 by the State of California and the City of Fresno to engage in gaming activities. COAC, like
14 COCI, is an “S” corporation and both use an accrual basis of accounting.

15 16. COCI derives the majority of its annual income from its gaming operations.
16 COCI’s gross receipts for 2013 and 2014 were \$12,990,230 and \$14,492,845, respectively.
17 COCI and COAC generated EBITDA of \$274,605 and \$460,058 during these same years,
18 respectively.

19 17. Kirkland is COCI’s President and Director. Bill Hughes of GlassRatner
20 Advisory & Capital Group, LLC,. is Debtor’s Chief Restructuring Officer. In addition to
21 Kirkland, William “Bill” Zender of Bill Zender & Associates, LLC, a noted gaming and
22 regulatory enforcement consultant, is Debtor’s independent director. Hughes is an officer of
23 Debtor but not a director. Until very recently, Dana Messina (“Messina”) was also a director
24 and officer of the COCI, but he resigned on August 10, 2015.

25 18. Kirkland serves pursuant to a management agreement, but has never received a
26 salary or management fee, despite working in excess of 70 hours per week managing the day-
27 to-day operations of COCI’s casino since 2008. Kirkland is also the President of the California
28

1 Gaming Association, a statewide trade association that represents California card rooms.
2 Kirkland does receive reimbursement from COCI for his expenses.

3 19. COCI currently employs approximately 280 people year round, including full
4 and part time employees. Other than Kirkland, no insiders are employed by Debtor.

5 20. COCI's primary assets are its gaming licenses, cash on hand, bank deposits,
6 accounts receivable, kitchen, surveillance and gaming equipment, furnishings, and food and
7 beverage inventory.

8 **C. INDEBTEDNESS AND REASONS FOR FILING CHAPTER 11**

9 21. COCI's largest senior and secured creditor is KMGI, Inc., which is currently
10 owed approximately \$24,290,150.00 (the "Senior Loan"). The Senior Lender is a special
11 purpose company which, on April 11, 2012, after receiving approval from the California
12 Gambling Control Commission, purchased the Senior Loan previously held by D.B. Zwirn
13 Special Opportunities Fund, L.P. ("Zwirn") and later Fortress Value Recovery Fund I LLC.
14 ("Fortress"). The Senior Lender purchased the Senior Loan – which had already matured and
15 been declared in default – in order to satisfy guarantees in favor of Fortress and because it
16 believed it could be more flexible with Sarantos and Elaine in restructuring the debts of the
17 business. Efforts to refinance with third parties or to extend the Senior Loan with Fortress
18 were unsuccessful. The Senior Lender is an entity jointly held by Messina and Kirkland.
19 Messina has sole voting authority for the Senior Lender.

20 22. In connection with the sale, Sarantos and Elaine each received approximately
21 \$10,700,000 in cash and a seller note for \$2,500,000 due February 22, 2015. Elaine also
22 received several million dollars of additional cash that had been paid into an escrow account
23 when her husband, Long, was unable to receive payments from COCI after being convicted of
24 a felony. In total, over \$22,000,000 in cash was distributed to Sarantos and Elaine at the close
25 of escrow. In addition over \$1,600,000.00 in interest on the seller notes was paid to Sarantos
26 and Elaine after the close of escrow.

27 23. In connection with the Acquisition Agreement, COAC, Sarantos, Elaine and the
28 Senior Lender entered into a Seller Subordination Agreement dated February 22, 2008 (the

1 “Subordination Agreement”). Sarantos and Elaine are subordinated creditors under the
2 Subordination Agreement. The scope of the Subordination Agreement was the subject of
3 litigation in New York where it was determined by final, non-appealable order that the Seller
4 Notes owned by Sarantos and Elaine are subordinated to the Senior Loan and such Seller Notes
5 shall not receive payment until the Senior Loan is repaid in full.

6 24. Subsequent to the close of sale, there was a dispute between COAC and the
7 sellers, Sarantos and Elaine, regarding an additional \$1,000,513 (less than 4% of the purchase
8 price). COAC, Sarantos and Elaine arbitrated the dispute pursuant to the arbitration provisions
9 of the Acquisition Agreement. On July 8, 2011, the arbitrator awarded \$1,000,513 to Sarantos
10 and Elaine as well as attorneys’ fees, costs and expenses (the “Arbitration Award”). The
11 Arbitration Award was confirmed by the Fresno County Superior Court and reduced to a
12 Judgment on September 26, 2011, with an amended Judgment correcting certain typographical
13 errors being entered on November 8, 2011 (Case No. 11 CE CG 02432). With the accrual of
14 interest and costs, the Arbitration Award against COAC has grown to approximately
15 \$1,379,929 as to Elaine and another \$1,378,938 as to Sarantos. However, the Arbitration

16 25. ///

17 26. Award is not a claim against the Debtor’s estate. Only COAC is liable on the
18 Arbitration Award.

19 27. After confirmation of the Arbitration Award by the Fresno County Superior
20 Court, in January 2012, COAC and its lender sought declaratory and injunctive relief to (a)
21 declare the Arbitration Award as to COAC to be governed by the Subordination Agreement;
22 (b) block payment of the Arbitration Award as required under the Subordination Agreement;
23 and (c) to obtain a declaration that the Subordination Agreement prohibits the demand for, or
24 payment of, both the Arbitration Award and the Seller Notes until the Senior Loan is paid in
25 full. After a bench trial on March 24-26, 2014, the New York trial court (Index No.
26 650049/2012), in its Post-Trial Decision and Order dated October 21, 2014, (a) dismissed
27 COAC’s complaint; (b) declared that no payment of interest or other payments of the
28 subordinated notes to Sarantos and Elaine may be paid prior to payment in full of the Senior

1 Loan; (c) declared that the Subordination Agreement does not bar payment by COAC of either
2 the Arbitration Award or the California judgments confirming the Arbitration Award; and (d)
3 held that Sarantos and Elaine were the prevailing parties, but the matter of attorney's fees
4 recoverable from COAC would be referred to a Special Referee (the "New York Judgment").
5 The Special Referee would decide if any payments were appropriate, and if so, in what
6 amount. As of this date, the Special Referee has not made a ruling regarding legal fees. On
7 August 19, 2015, a portion of the New York Judgment relating to the impact of the
8 Subordination Agreement on COAC's ability to satisfy the Arbitration Award or related
9 judgments was appealed by COAC and KMGI to the Appellate Division of the New York
10 Supreme Court. That appeal is pending. Neither Sarantos nor Elaine appealed the New York
11 Judgment. Thus, the New York Court's findings that the Seller Notes are subordinated to the
12 Senior Loan are final and non-appealable.

13 28. In May of 2015, Sarantos and Elaine sought to amend their existing complaint
14 against COAC, in Case No. 11 CE CG 02432, to add COCI as the alter-ego of COAC, and for
15 other relief including a TRO, a preliminary injunction and the appointment of a receiver.
16 Hearings in the matter were continued twice to October 15, 2015, and October 22, 2015.

17 29. In a separate lawsuit initiated by Sarantos against Messina, KMGI and Kirkland
18 (Case No. 13CE CG 02124 MWS), Sarantos sought and obtained a TRO against COAC,
19 KMGI and their agents. (KMGI has since been dismissed from the lawsuit). The hearing to
20 have a Preliminary Injunction issued in this separate proceeding was also continued twice and
21 is now scheduled for November 6, 2015.

22 30. On August 12, 2015 the Attorney General of the State of California filed an
23 Accusation against the Clovis 500 Club. The Attorney General accused the Louis Sarantos, Jr.
24 dba the Clovis 500 Club of engaging in an undisclosed, unapproved financing scheme to
25 expand its business in violation of state gaming regulations. The Attorney General is seeking
26 to have Louis Sarantos' license revoked and the gaming license of the Clovis 500 Club
27 cancelled. The owners and financial stakeholders of the Clovis 500 Club include George
28

1 Sarantos, his brother Louis and several former employees of COCI who were long time
2 associates of Sarantos.

3 31. A precipitating factor in the filing of COCI's and COAC's Chapter 11 cases
4 has been the expansion of the Clovis 500 Club which was completed using a clandestine
5 financing scheme alleged to be unlawful. The expansion of this facility caused a substantial
6 drop in revenue and operating income of COCI. On August 26, 2015, COCI and COAC filed a
7 complaint in the Fresno County Superior Court (Case No. 15 CECG 02704) for damages
8 against Louis Sarantos, an individual and doing business as the Clovis 500 Club and 500 Club
9 Casino, and Sarantos for unfair competition and several other theories, including breaches of
10 fiduciary duty and a non-competition agreement by Sarantos. The relocation and expansion of
11 the Clovis 500 Club using unlawful financing by Sarantos and Sarantos' brother, Louis, has
12 had a major negative impact on the revenues of COCI.

13 32. COCI and COAC were forced to seek relief under Chapter 11 in order to avoid
14 the potential appointment of an unlicensed receiver, reorganize its business, and perhaps end
15 the years of unproductive litigation.

16 **AMOUNT OF CASH COLLATERAL USE SOUGHT BY DEBTOR**

17 33. Debtor expects to move quickly in proposing a plan of reorganization and
18 expects to file a plan within fourteen (14) days. Debtor intends to continue to operate its
19 business as a going concern as a part of its case. In the interim, Debtor seeks the Court's
20 authorization to use Cash Collateral from the petition date through March 31, 2016. However,
21 to avoid immediate and irreparable harm, pending a final hearing on the Motion, Debtor
22 requests interim authorization to use cash collateral on a weekly basis as set forth in the budget
23 attached as Exhibit "1" to the Interim Order (the "Budget").

24 34. **Emergency Use.** To avoid immediate and irreparable harm to the Debtor and
25 its estate pending a final hearing, Debtor requests interim authorization to use \$1,559,165.00
26 from October 15 through November 15 (with Permitted Variances, as such term is defined in
27 the Interim Order) or through a final hearing on the Motion as described in the Budget. Debtor
28

1 also requests authorization to use the cumulative amounts provided in each category of the
2 Budget through March 31, 2016.

3 35. In the event the Court does not approve cash collateral use through March 31,
4 2016, Debtor reserves the right to submit amended budgets and will request periodic
5 continuances of the interim cash collateral hearing and ongoing cash collateral use until such
6 time as the Court approves final cash collateral use through March 31, 2016.

7 36. **Urgent need for Cash Collateral.** Debtor owns and operates a 51-table gaming
8 operation in Downtown Fresno that is open 24 hours/day that relies exclusively on the
9 availability of cash to operate. The immediate and irreparable harm that will befall Debtor if it
10 does not obtain the use of Cash Collateral is (a) Debtor will be unable to honor its obligations
11 to its gaming customers thereby violating California gaming laws, (b) Debtor will be unable to
12 purchase food, alcohol, and other inventory good required in order to operate, (c) Debtor will
13 be unable to pay its employees, and (d) Debtor will be unable to pay its utility bills, royalty
14 fees and insurance premiums all of which would cause immediate crises to Debtor's ability to
15 maintain its business, and effectively shut Debtor down. Each item on the Budget was
16 considered and deemed by Debtor's principals to be necessary to Debtor's continued operation.

17 **ADEQUATE PROTECTION OFFERED BY DEBTOR**

18 37. Debtor is aware of no other creditor asserting an interest in "cash collateral"
19 other than the Senior Lender. Debtor will provide the Senior Lender with adequate protection
20 by continuing to operate its business, generating income, giving a replacement lien on post-
21 petition assets of like kind and to the same extent as existed prior to the commencement of
22 Debtor's case, and monthly adequate protection payments equal to the fees and expenses of
23 Senior Lender's counsel, which are estimated to be \$50,000 per month, all as set forth in the
24 Interim Order.

25 **LOCAL BANKRUPTCY RULE 4001-1(c) RECITALS**

26 Pursuant to Local Bankruptcy Rule 4001-1(c), the Debtor provides the following
27 disclosures in connection with the relief set forth in the Interim Order:
28

(a) Provisions or findings of fact that bind the estate or all parties-in-interest with respect to the validity, perfection, or amount of the secured party's lien or debt. [LBR 4001-1(c)(3)(B)] (Interim Order at Pgs. 2-3, Par. D (ii)): Although the provision binds the Debtor, it also provides for a mechanism for the Creditors Committee and other parties in interest to investigate and challenge the validity, perfection and amount of the Senior Lender's lien or debt.

(b) Provisions or findings of fact that bind the estate or all parties-in-interest with respect to the relative priorities of the secured party's lien and liens held by persons who are not parties to the stipulation. [LBR 4001-1(c)(3)(C)] (Interim Order at Pg. 3, Par. D (iii)): Although the provision binds the Debtor, it also provides for a mechanism for the Creditors Committee and other parties in interest to investigate and challenge the priority of the Senior Lender's lien.

(c) Automatic relief from the automatic stay upon default, conversion to chapter 7, or appointment of a trustee. [LBR 4001-1(c)(3)(H)] (Interim Order at Pg. 10, Par. 7): The provision does not obviate the stay upon default. The provision limits the Senior Lender to taking only "immediate reasonable action to protect the Collateral from harm, theft and/or dissipation." The Interim Order requires the Senior Lender to "file a motion for relief from the automatic stay in Bankruptcy Code section 362 prior to the exercise of any other remedies following a Termination Event."

PRAYER FOR RELIEF

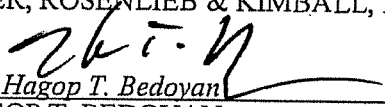
WHEREFORE, Debtor requests that the Court enter an order, substantially in the form of **Exhibit "A"** hereto that, *inter alia*:

1. Grants the Motion on an interim basis pending a final hearing;
2. Approves the Budget and authorizing Debtor to use Cash Collateral as noted in the Budget (with Permitted Variances, as such term is defined in the Interim Order) on an interim basis pending a final hearing;

3. Authorizes Debtor to use Cash Collateral (with Permitted Variances, as such term is defined in the Interim Order) after a final hearing through March 31, 2016, or further order of the court authorizing use of Cash Collateral;
4. Authorizes Debtor to use the cumulative amounts provided in each category in the Budget through (a) final hearing on the Motion; and (b) March 31, 2016;
5. Grants adequate protection to Senior Lender as set forth in the Interim Order; and
6. Grants such other and further relief as is just and proper.

Date: October 15, 2015

KLEIN, DeNATALE, GOLDNER,
COOPER, ROSENLIB & KIMBALL, LLP

By  /s/ Hagop T. Bedoyan
HAGOP T. BEDOYAN
Proposed Attorneys for Debtor in Possession

HAGOP T. BEDOYAN, CSB NO. 131285
 JACOB L. EATON, CSB NO. 244834
 LISA A. HOLDER, CSB NO. 217752
 KLEIN, DENATALE, GOLDNER,
 COOPER, ROSENLIB & KIMBALL, LLP
 5260 N. Palm Avenue, Suite 201
 Fresno, California 93704
 Telephone: (559) 438-4374
 Facsimile: (559) 432-1847
 Email: hbedoyan@kleinlaw.com;
 jeaton@kleinlaw.com; lholder@kleinlaw.com

Proposed Attorneys for Debtor in Possession

UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF CALIFORNIA, FRESNO DIVISION

In re:

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Debtor.

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Emergency Hearing Date: October 16, 2015

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2500 Tulare Street, Fifth Floor

Department B, Courtroom 12

Fresno, California

Judge: Honorable Rene Lastreto II

**INTERIM ORDER (I) AUTHORIZING USE OF CASH COLLATERAL,
 (II) GRANTING ADEQUATE PROTECTION, (III) SCHEDULING
 FINAL HEARING, AND (IV) GRANTING CERTAIN RELATED RELIEF**

The matter came before the Court on the motion dated October 14, 2015 (the "Motion"), seeking entry of an interim order (this "Interim Order"), *inter alia*,

(a) authorizing Club One Casino, Inc. (the "Debtor") to use cash collateral;

(b) authorizing the Debtor to grant adequate protection to KMGI, Inc. ("KMGI" or the "Senior Lender") as lender under the senior secured loan pursuant to a financing agreement dated February 22, 2008 ("Financing Agreement"); and

(c) scheduling a hearing (the "Final Hearing"), pursuant to Rule 4001(c)(2) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), to consider entry of a final order (the "Final Order"), approving and authorizing the use of cash collateral on a final basis.

Exhibit A

1 An interim hearing on the Motion (the "Interim Hearing") was held on October 16, 2015.
 2 The Court has considered the pleadings filed with the Court and the evidence proffered or adduced at
 3 the Interim Hearing; and has heard and resolved or overruled any and all objections to the interim
 4 relief requested in the Motion. Accordingly, it appearing that the relief requested in the Motion is in
 5 the best interests of the Debtor, its estate, and creditor and good and sufficient cause appearing
 6 therefor:

7 **IT IS HEREBY FOUND AND DETERMINED THAT:**

8 A. Petition Date. On October 14, 2015 (the "Petition Date"), the Debtor commenced its
 9 chapter 11 case (the "Chapter 11 Case") by filing a voluntary petition for relief under chapter 11 of
 10 title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court
 11 for the Eastern District of California, Fresno Division (the "Court"). On the same date, the Debtor's
 12 parent – Club One Acquisition Corp., ("COAC") commenced a chapter 11 case in this Court. The
 13 Debtor's case is being jointly administered with the case of COAC. The Debtor is operating its
 14 business and managing its affairs as a debtor in possession pursuant to sections 1107(a) and 1108 of
 15 the Bankruptcy Code. As of the date hereof, no trustee, examiner, or official committee of creditors
 16 holding unsecured claims (a "Creditors' Committee") has been appointed in the Chapter 11 Case.

17 B. Jurisdiction; Venue. The Court has jurisdiction over this Chapter 11 Case, the parties,
 18 and the Debtor's property pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28
 19 U.S.C. § 157(b)(2)(D). The Court is a proper venue of this Chapter 11 Case and the Motion under
 20 28 U.S.C. §§ 1408 and 1409.

21 C. Notice. Notice of the Motion was appropriate under the circumstances.

22 D. Debtor's Acknowledgments and Stipulations. In requesting the use of cash collateral
 23 and as a material inducement for KMGI to authorize the use of cash collateral on the terms and
 24 conditions set forth herein, the Debtor acknowledges, represents, stipulates, and agrees, subject to
 25 the challenge rights set forth in paragraph 6 herein, as follows:

- 26 (i) The Debtor, COAC and KMGI are parties to the financing agreement dated February
 27 22, 2008, originally with D.B. Zwirm Special Opportunities Fund, L.P. as lender (the
 28 "Prepetition Loan Agreement").

Exhibit A

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- (ii) All of the Debtor's obligations to KMGI under the Prepetition Loan Agreement (the "Prepetition Obligations") are secured by first-priority liens (the "Prepetition Liens") on substantially all of the Debtor's assets, other than its gaming license (including Cash Collateral, as defined below) as set forth in the Prepetition Loan Agreement (the "Prepetition Collateral").
- (iii) As of October 14, 2015, (a) the aggregate amount of principal, accrued interest; and fees owed under the Prepetition Loan Agreement is \$24,290,150.00; (b) all of the Prepetition Obligations are unconditionally owing by the Debtor to the Senior Lender; and (c) the Prepetition Liens constitute valid, binding, enforceable, and perfected liens with priority over any and all other liens and are not subject to any challenge or defense, including, without limitation, respectively, avoidance, reductions, recharacterization, subordination (whether equitable, contractual or otherwise), claims, counterclaims, cross-claims, offsets, defenses; or any other challenges under the Bankruptcy Code or any applicable law or regulation by any person or entity, except as set forth in paragraph 6 herein;
- (iv) any payments made on account of the Prepetition Obligations before the Petition Date were (a) payments out of the Prepetition Collateral, (b) made in the ordinary course of business, and (c) did not diminish any property otherwise available for distribution to unsecured creditors; and
- (v) all of the Debtor's cash, including the cash in its deposit accounts and other accounts, wherever located, whether as original collateral or proceeds of other Prepetition Collateral, constitutes Cash Collateral (as defined below);

E. Cash Collateral. For purposes of this Interim Order, the term "Cash Collateral" shall mean and include all "cash collateral," as defined in section 363 of the Bankruptcy Code, whether existing on the Petition Date, arising pursuant to this Interim Order, or otherwise and shall include, without limitation:

F. Adequate Protection. The Senior Lender is entitled, pursuant to sections 361 and 363(e) of the Bankruptcy Code, to adequate protection to the extent of any diminution in the value of

Exhibit A

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its interests in the Prepetition Collateral, including the Cash Collateral, resulting from, among other things, (a) the use of Cash Collateral, (b) the subordination of the Prepetition Obligations to the Carveout, and (c) the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code.

G. Purpose and Necessity of Use of Cash Collateral. As discussed in the Motion, the Debtor requires the use of Cash Collateral (i) to maximize and preserve the value of its business, satisfy payroll obligations, and for other working capital and general corporate purposes of the Debtor and (ii) to pay fees and expenses related to this Chapter 11 Case. If the Debtor does not obtain authorization to use of Cash Collateral it will suffer immediate and irreparable harm.

H. Good Cause Shown. Good cause has been shown for entry of this Interim Order, the relief is necessary in order to avoid immediate and irreparable harm to the Debtor and its estate, and, accordingly, is in the best interests of the Debtor, its estate and its creditors.

I. Immediate Entry of Interim Order. The Debtor has requested immediate entry of this Interim Order pursuant to Bankruptcy Rule 4001(c)(2). This Court concludes that entry of this Interim Order is in the best interests of the Debtor's estate and creditors because its implementation will, among other things, allow for access to the funds necessary to sustain the continued operations of the Debtor and further enhance the Debtor's prospects of a reorganization or for a successful sale of substantially all of its assets. Based upon the foregoing findings, acknowledgements, and conclusions, and upon the record made before this Court at the Interim Hearing, and good and sufficient cause appearing therefor;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. Disposition. The Motion is granted on an interim basis on the terms set forth in this Interim Order. Any objection to the interim relief sought in the Motion that has not previously been withdrawn or resolved is hereby overruled on its merits. The term of this Interim Order and the use of Cash Collateral authorized hereunder shall expire on the earlier of (a) November 10, 2015, if the Final Order has not been entered by the Court prior to such date, and (b) upon the occurrence of a Termination Event (as defined below).

Exhibit A

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AUTHORIZATION FOR USE OF CASH COLLATERAL

2. Authorization for Use of Cash Collateral.

(a) The Debtor is hereby authorized to use Cash Collateral up to \$1,559,165.00 during the Interim Period, subject to and in accordance with the terms, conditions, and limitations set forth in this Interim Order and the Approved Budget.

(b) The Debtor has delivered to Senior Lender a budget that has been approved (the "Approved Budget") for the time period from and including the Petition Date through March 31, 2016. A copy of the Approved Budget is attached hereto as **Exhibit "1."** The Debtor shall provide to the Senior Lender updates to the Approved Budget and financial reporting with respect to the Debtor in accordance with the terms hereof.

(c) By not later than three business days after the end of the week following the Petition Date, the Debtor shall deliver to the Senior Lender a variance report (a "Variance Report") showing comparisons of actual results for each line item against such line item in the Approved Budget. Thereafter, the Debtor shall deliver to the Senior Lender, by not later than three business days after the close of each weekly period after the Petition Date, an Approved Variance Report for the trailing four-week period (or, if fewer than four weeks have elapsed since the Petition Date, then for the trailing one, two or three-week period, as applicable). Each Approved Variance Report shall indicate whether there are any adverse variances that exceed the "Permitted Variances," which means, in each case measured on a cumulative basis: (x) up to 10% on a line-item basis or (y) 10% in the aggregate for all Cash Receipts and Cash Disbursements ("Permitted Variances").

(d) Any amendments, supplements, or modifications to the Approved Budget or an Approved Variance Report must be consented to in writing by the Senior Lender prior to the implementation thereof and shall not require further notice, hearing, or court order.

ADEQUATE PROTECTION

3. Adequate Protection for Senior Lenders. As adequate protection for the diminution, if any, in the value of the Senior Lender's interests in the Prepetition Collateral (the "Diminution Claim"), the Senior Lender is hereby granted the following ((a) through (c) below shall be referred to collectively as the "Prepetition Adequate Protection Rights"):

Exhibit A

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(a) Replacement Liens. Valid, perfected, postpetition security interests in and liens (the “Replacement Liens”) in all of the assets of the Debtor’s estate (excluding the Debtor’s gaming license), to secure the Adequate Protection Claim (defined below), effective and perfected upon the date of this Interim Order and without the necessity of execution by the Debtor of mortgages, security agreements, pledge agreements, financing statements, and other agreements or instruments provided, however, that (i) solely for the purposes of this Interim Order, the Replacement Liens shall not attach to any proceeds from Avoidance Actions and (ii) notwithstanding anything to the contrary, the Replacement Liens shall only be and remain subject and subordinate to the Carveout.

(b) Adequate Protection Superpriority Claim. As further adequate protection, the Senior Lender is hereby granted a superpriority claim on account of the Diminution Claim, which claim shall have priority over all administrative expense claims and unsecured claims against the Debtor or its estate, now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, administrative expenses of the kind specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 552(b), 726, 1113 and 1114 and any other provision of the Bankruptcy Code (the “Adequate Protection Claim”), provided, however, that, solely for the purposes of this Interim Order, the Adequate Protection Claim shall not attach to any proceeds from Avoidance Action and shall be subject to the Carveout.

(c) Adequate Protection Payments. The Debtor shall provide Senior Lender with adequate protection, in part, by paying the fees and expenses of Senior Lender’s counsel in the estimated amount of \$50,000.00 per month.

CARVEOUT; RESTRICTIONS ON USE OF FUNDS

4. Carveout.

(a) The Replacement Liens and the Adequate Protection Claim and the Prepetition Liens shall be subject, in accordance with the priority set forth herein and subordinate only to, and proceeds thereof may be used to pay: (i) fees payable to the United States Trustee pursuant to 28 U.S.C. § 1930(a)(6) or to the Clerk of the Bankruptcy Court (the “Case Administration Fees”); (ii) unpaid professional fees and expenses (“Professional Fees”) payable to each professional retained by the Debtor (the “Debtor Professionals”) and Creditors’ Committee (collectively with the Debtor

Exhibit A

Professionals, the “Estate Professionals”) that are incurred or accrued prior to the date of the occurrence of a Termination Event (as defined below), but subject to the aggregate amount not in excess of the amounts set forth for each such professional in the Approved Budget through the week such Termination Event occurs, and ultimately allowed by the Court pursuant to sections 328, 330, 331 and 503 of the Bankruptcy Code or any order of the Court (whenever such fees may be actually incurred prior to the Termination Date); (iii) and claims for reimbursement or indemnification under the agreements entered into with Bill Zender and Associates, LLC, pursuant to the Casino Management Services Agreement, and GlassRatner Advisory & Capital Group, LLC, as the Chief Restructuring Officer for Club One Casino, Inc. and (iv) Case Administration Fees and Professional Fees incurred on or after the date of the occurrence of a Termination Event (as defined below) in an aggregate amount not to exceed \$25,000, (collectively, the “Carveout”). So long as a Termination Event (as defined below) has not occurred, the Debtor shall be authorized to fund the amount set forth in the “Fees Paid” section of the Approved Budget for payment of Case Administration and Professional Fees to a trust account held by Debtor’s counsel (the “Trust Account”), and such funding shall permanently reduce the Carveout on a dollar-for-dollar basis; and further the Debtor shall be permitted to pay Case Administration Fees and Professional Fees allowed and payable under Bankruptcy Code sections 328, 330, 331 and 503, in an aggregate amount not in excess of the amounts set forth for each such professional in the Approved Budget. In addition, after the occurrence of a Termination Event (as defined below), the Senior Lender shall fund (to the extent not yet funded) the payment of allowed Professional Fees and disbursements incurred by each Estate Professional (net of any retainer held by each such Professional) in an aggregate amount not in excess of the amounts set forth for each such professional in the Approved Budget through the week such Termination Event occurs, and such funding shall permanently reduce the Carveout on a dollar-for-dollar basis.

(b) Nothing contained in this Interim Order shall be construed as consent to the allowance of any fees and expenses referred to above, and shall not affect any right of the any party to object to the reasonableness of such amounts.

///

Exhibit A

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1 5. Restrictions on Use of Funds.

2 (a) Notwithstanding anything to the contrary, no Cash Collateral or any portion of the
3 Carveout, may be used to pay any claims for services rendered by any of the professionals retained
4 by the Debtor, any creditor or party in interest, any committee, any trustee appointed under this
5 Chapter 11 Case or any Successor Case, or any other party to (i) request authorization to obtain
6 postpetition loans or other financial accommodations pursuant to section 364(c) or (d) of the
7 Bankruptcy Code, or otherwise, other than from the Senior Lender; or (ii) investigate (except as set
8 forth in paragraph 5(b) below), assert, join, commence, support, or prosecute any action or claim,
9 counter-claim, action, proceeding, application, motion, objection, defense, or other contested matter
10 seeking any order, judgment, determination or similar relief against, or adverse to the interests of, in
11 any capacity, the Senior Lender or any of its respective officers, directors, employees, agents,
12 attorneys, affiliates, assigns, or successors, with respect to any transaction, occurrence, omission, or
13 action, including, without limitation, (A) any Avoidance Actions or other actions arising under
14 chapter 5 of the Bankruptcy Code; (B) any action relating to any act, omission, or aspect of the
15 relationship between the Senior Lender on the one hand, and the Debtor or any of its affiliates, on
16 the other; (C) any action with respect to the validity and extent of the Prepetition Obligations or the
17 Replacement Liens; (D) any action seeking to invalidate, set aside, avoid, or subordinate, in whole or
18 in part, the Prepetition Liens or the Replacement Liens; and/or (E) except to contest the occurrence
19 or continuance of any Termination Event (as defined below) as permitted in paragraph __, any action
20 that has the effect of preventing, hindering, or delaying (whether directly or indirectly) the Senior
21 Lenders in respect of their liens and security interests in the Collateral, Cash Collateral, or the
22 Prepetition Collateral; or (F) use or seek to use Cash Collateral or sell or otherwise dispose of
23 Prepetition Collateral, unless otherwise permitted hereby, without the consent of the Senior Lender.

24 (b) Up to \$25,000 in the aggregate of the Carveout, any DIP Collateral, any Prepetition
25 Collateral, any Cash Collateral or proceeds of the DIP Facility may be used by the Creditors'
26 Committee (to the extent such committee is appointed) to investigate (but not prosecute) the extent,
27 validity, and priority of the Prepetition Obligations, the Prepetition Liens, or any other claims against
28

the Senior Lender so long as such investigation occurs within the Challenge Period (as defined below).

6. Reservation of Certain Third-Party Rights and Bar of Challenges and Claims.

(a) The Debtor's acknowledgements and stipulations set forth herein (the "Debtor Stipulations") shall be binding upon the Debtor in all circumstances upon entry of this Interim Order. The Debtor's Stipulations shall be binding upon each other party in interest, including the Creditors' Committee, if any, unless such Creditors' Committee or any other party in interest (including any chapter 11 trustee in the Chapter 11 Case or any chapter 7 trustee in any Successor Case) other than the Debtor, first, commences, by the earlier of (x) with respect to any Creditors' Committee, sixty calendar days from the formation of any Creditors' Committee, and (y) solely if no Creditors' Committee is formed, with respect to other parties in interest with requisite standing other than the Debtor or any Creditors' Committee, seventy-five calendar days following the date of entry of the Interim Order (such time period established by the earlier of clauses (x) and (y)), shall be referred to as the "Challenge Period," and the date that is the next calendar day after the termination of the Challenge Period in the event that either (i) no Challenge (as defined below) is properly commenced during the Challenge Period or (ii) with respect only to those parties that properly file a Challenge (as defined below), such Challenge is fully and finally adjudicated, shall be referred to as the "Challenge Period Termination Date"), (A) a contested matter, adversary proceeding, or other action or "claim" (as defined in the Bankruptcy Code) challenging or otherwise objecting to the admissions, stipulations, findings, or releases included in the Debtor's Stipulations; or (B) a contested matter, adversary proceeding, or other action against the Senior Lender (in any capacity) in connection with or related to (I) the Prepetition Obligations, (II) the prepetition business relationship between or conduct of the Senior Lender and the Debtor, (III) the actions or inactions of any of the Senior Lender arising out of or related to the Prepetition Obligations or otherwise, (IV) any setoff, counterclaim, or defense to the Prepetition Obligations (including, but not limited to, those under sections 506, 544, 547, 548, 549, 550, and/or 552 of the Bankruptcy Code), or (V) any avoidance of or challenge (whether pursuant to Chapter 5 of the Bankruptcy Code or otherwise) to any transfer made by or on behalf of the Debtor to or for the benefit of the Senior Lender (but excluding, solely

Exhibit A

for the purpose of this Interim Order, those under section 506(c)) ((A) and (B) collectively, the “Challenges” and, each individually, a “Challenge”), and second, obtains a final, non-appealable order in favor of such party in interest sustaining any such Challenge in any such timely filed contested matter, adversary proceeding, or other action.

(b) Upon the Challenge Period Termination Date and for all purposes in this Chapter 11 Case and any Successor Case, (i) all payments made to or for the benefit of the Senior Lender pursuant to, or otherwise authorized by, this Interim Order or otherwise (whether made prior to, on, or after the Petition Date) shall be indefeasible and not be subject to counterclaim, offset, subordination, recharacterization, defense, or avoidance; (ii) any and all such Challenges by any party in interest shall be deemed to be forever released, waived, and barred; (iii) the Prepetition Obligations shall be deemed to be a fully allowed secured claim within the meaning of section 506 of the Bankruptcy Code (which claim and liens shall have been deemed satisfied in full by the repayment of the Prepetition Obligations); (iv) the Prepetition Obligations shall be deemed to be a fully allowed claim; and (v) the Debtor’s stipulations in paragraph __ and the releases in paragraph __ shall be binding on all parties in interest, including any Creditors’ Committee or any trustee appointed in this Chapter 11 Case or any Successor Case.

TERMINATION; REMEDIES; MODIFICATION OF AUTOMATIC STAY

7. Termination. Upon the occurrence a default by the Debtor of any of its obligations under this Order, unless waived in writing by the Senior Lender (the “Termination Event”), (i) the Debtor’s authorization to use Cash Collateral shall immediately and automatically terminate and (ii) free of the restrictions of Bankruptcy Code section 362 or any other section of the Bankruptcy Code, the Senior Lender may take immediate reasonable action to protect the Collateral from harm, theft and/or dissipation. Upon the occurrence and during the continuance of a Termination Event, the Senior Lender shall have no obligation to permit the continued use of Cash Collateral. The Senior Lender shall file a motion for relief from the automatic stay in Bankruptcy Code section 362 prior to the exercise of any other remedies following a Termination Event.

MISCELLANEOUS

8. Limitation on Section 506(c) Claims. Upon entry of the Final Order, no costs or

Exhibit ↑

1 expenses of administration that have been or may be incurred in this Chapter 11 Case at any time
2 shall be surcharged against, and no person or entity may seek to surcharge any costs or expenses of
3 administration against the Senior Lender or any of their respective claims, the Carveout or the
4 Collateral, pursuant to sections 105 or 506(c) of the Bankruptcy Code or otherwise, without the prior
5 written consent, as applicable, of the Senior Lender.

6 9. Additional Perfection Measures. The Replacement Liens shall be perfected by
7 operation of law immediately upon entry of this Interim Order. Neither the Debtor nor the Senior
8 Lender shall be required to enter into or obtain landlord waivers, mortgagee waivers, bailee waivers,
9 warehouseman waivers or other waiver or consent, or to file or record financing statements,
10 mortgages, deeds of trust, leasehold mortgages, notices of lien, or similar instruments in any
11 jurisdiction (including, trademark, copyright, trade name or patent assignment filings with the
12 United States Patent and Trademark Office, Copyright Office or any similar agency with respect to
13 intellectual property, or filings with any other federal agencies/authorities), or obtain consents from
14 any licensor or similarly situated party in interest, or take any other action in order to validate and to
15 perfect the DIP Liens or the Replacement Liens.

16 10. Delivery of Documentation. The Debtor shall deliver to the Senior Lender all
17 financial reports, budgets, forecasts, and all other legal or financial documentation, pleadings, and/or
18 filings that are either (i) required to be provided to the Senior Lender under the Prepetition Loan
19 Agreement or (ii) reasonably requested by the Senior Lender.

20 11. Access to Books and Records. The Debtor will (a) keep proper books, records and
21 accounts in accordance with GAAP in which full, true, and correct entries shall be made of all
22 dealings and transactions in relation to its business and activities; (b) cooperate, consult with, and
23 provide to the Senior Lender such information as required or allowed under Prepetition Loan
24 Agreement, the provisions of this Interim Order or that is afforded to the Creditors' Committee
25 and/or the Creditors' Committee's respective legal or financial advisors; (c) permit, upon one
26 business days' notice, representatives of the Senior Lender to visit and inspect any of its properties,
27 to examine and make abstracts or copies from any of its books and records, to conduct a collateral
28 audit and analysis of its inventory and accounts, to tour the Debtor's business premises and other

1 properties, and to discuss, and provide advice with respect to, its affairs, finances, properties,
2 business operations, and accounts with its officers, employees and independent public accountants as
3 often as may reasonably be desired; and (d) permit representatives of the Senior Lender to consult
4 with and advise the Debtor's management on matters concerning the general status of the Debtor's
5 business, financial condition and operations.

6 12. Successors and Assigns. The provisions of this Interim Order shall be binding upon
7 the Debtor, the Senior Lender, and each of their respective successors and assigns, and shall inure to
8 the benefit of the Debtor, the Senior Lender, and each of their respective successors and assigns
9 including, without limitation, any trustee, examiner with expanded powers, responsible officer,
10 estate administrator or representative, or similar person appointed in a case for the Debtor under any
11 chapter of the Bankruptcy Code. The terms and provisions of this Interim Order shall also be
12 binding on all of the Debtor's creditors, equity holders, and all other parties in interest, including, but
13 not limited to a trustee appointed under chapter 7 or chapter 11 of the Bankruptcy Code.

14 13. No Waiver. This Interim Order shall not be construed in any way as a waiver or
15 relinquishment of any rights that the Senior Lender may have to bring or be heard on any matter
16 brought before this Court.

17 14. Survival. Except as otherwise provided herein, (a) the protections afforded under this
18 Interim Order, and any actions taken pursuant thereto, shall survive the entry of an order (i)
19 dismissing this Chapter 11 Case or (ii) converting this Chapter 11 Case into a case pursuant to
20 chapter 7 of the Bankruptcy Code, and (b) the Replacement Liens and the Adequate Protection
21 Claim shall continue in this Chapter 11 Case, in any such Successor Case, or after any such
22 dismissal. Except as otherwise provided herein, the Replacement Liens, and the Adequate
23 Protection Claim shall maintain their priorities as provided in this Interim Order and the Final Order,
24 and shall not be modified, altered or impaired in any way by any other financing, extension of credit,
25 incurrence of indebtedness (except with respect to any additional financing to be provided by the
26 Senior Lender in accordance with the Final Order), or any conversion of this Chapter 11 Case into a
27 case pursuant to chapter 7 of the Bankruptcy Code or dismissal of this Chapter 11 Case, or by any
28 other act or omission until the Prepetition Obligations have been or are deemed to have been

1 satisfied in accordance with the Bankruptcy Code.

2 15. Adequate Notice/Scheduling of Final Hearing. The notice given by the Debtor of the
3 Interim Hearing was given in accordance with Bankruptcy Rules 2002 and 4001(c) and the local
4 rules of this Court and, under the circumstances, was adequate and sufficient. No further notice of
5 the request for the relief granted at the Interim Hearing is required. The Debtor shall mail copies of
6 this Interim Order and notice of the Final Hearing to: (i) the Office of the United States Trustee; (ii)
7 the Office of the United States Attorney for the Eastern District of California; (iii) the Internal
8 Revenue Service; (iv) the Debtor's twenty largest unsecured creditors; (v) counsel to KMGI; (vi) all
9 other known parties asserting a lien against the Debtor's assets; and (vii) any other party requesting
10 notice after the entry of this Interim Order. Any objection to the relief sought at the Final Hearing
11 shall be made in writing setting forth with particularity the grounds thereof, and filed with the Court
12 and served so as to be actually received no later than seven days prior to the Final Hearing at 4:00
13 p.m. (pacific) by the following: (a) counsel to the Debtor; (b) counsel to KMGI; and (d) the Office of
14 the United States Trustee. The Court shall conduct a Final Hearing on the Motion commencing on
15 November 10, 2015 at 2:30 p.m. (Pacific).

16 16. Immediate Binding Effect; Entry of Interim Order. This Interim Order shall not be
17 stayed and shall be valid and fully effective immediately upon entry, notwithstanding the possible
18 application of Bankruptcy Rules 6004(h), 7062, and 9014, or otherwise, and the Clerk of the Court is
19 hereby directed to enter this Interim Order on the Court's docket in this Chapter 11 Case.

20 17. Retention of Jurisdiction. This Court shall retain exclusive jurisdiction over all
21 matters pertaining to the implementation, interpretation, and enforcement of this Interim Order.
22
23
24
25
26
27

28 Dated: _____

United States Bankruptcy Judge
Exhibit A

FINAL

Club One Casino, Inc.
Weekly Cash Budget - Oct 2015 to Dec 2015 (\$ in 000s)

	14-Oct	21-Oct	28-Oct	4-Nov	11-Nov	18-Nov	25-Nov	2-Dec	9-Dec	16-Dec	23-Dec	30-Dec	6-Jan
Beginning Cash on Hand	\$ 747,000	\$ 742,683	\$ 922,083	\$ 1,145,083	\$ 884,335	\$ 969,835	\$ 905,835	\$ 1,118,835	\$ 836,387	\$ 901,887	\$ 832,887	\$ 1,025,887	\$ 834,048
Cash Receipts - Casino	\$ 25,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 235,000
Cash Receipts - F&B	\$ 5,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Credit card reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory reductions - liquor	\$ -	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Marketing payments - Arise	\$ -	\$ -	\$ -	\$ 170,000	\$ -	\$ -	\$ -	\$ 170,000	\$ -	\$ -	\$ -	\$ 170,000	\$ -
One-time reimbursement - Arise	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,333	\$ -
Chips redeemed for payment - Arise	\$ -	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000
Total cash collections	\$ 30,000	\$ 395,000	\$ 395,000	\$ 560,000	\$ 390,000	\$ 400,000	\$ 390,000	\$ 535,000	\$ 365,000	\$ 365,000	\$ 365,000	\$ 585,333	\$ 400,000
ATM replenishment - from cage	\$ -	\$ (210,000)	\$ (210,000)	\$ (210,000)	\$ (210,000)	\$ (210,000)	\$ (210,000)	\$ (210,000)	\$ (210,000)	\$ (210,000)	\$ (210,000)	\$ (210,000)	\$ (210,000)
ATM reimbursement - from bank	\$ -	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000
ATM/Cash advance fee income	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Cash collection ATM (net)	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Purchases - Kitchen	\$ -	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000
Purchases - Beverages - non-alcoholic	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Purchases - Beverages - alcoholic	\$ -	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
Purchases - Grinders Cafe	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Purchases - Gift Shop	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Total purchases	\$ -	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
8011-10 - Wages - Casino	\$ -	\$ 15,333	\$ -	\$ 115,000	\$ -	\$ 115,000	\$ -	\$ 115,000	\$ -	\$ 115,000	\$ -	\$ 126,500	\$ -
8011-20 - Wages - Restaurant	\$ -	\$ 3,067	\$ -	\$ 23,000	\$ -	\$ 23,000	\$ -	\$ 23,000	\$ -	\$ 23,000	\$ -	\$ 25,300	\$ -
8011-30 - Wages - Bar	\$ -	\$ 533	\$ -	\$ 4,000	\$ -	\$ 4,000	\$ -	\$ 4,000	\$ -	\$ 4,000	\$ -	\$ 4,400	\$ -
8011-50 - Wages - Servers	\$ -	\$ 3,067	\$ -	\$ 23,000	\$ -	\$ 23,000	\$ -	\$ 23,000	\$ -	\$ 23,000	\$ -	\$ 25,300	\$ -
8011-60 - Wages - Gift Shop	\$ -	\$ 533	\$ -	\$ 4,000	\$ -	\$ 4,000	\$ -	\$ 4,000	\$ -	\$ 4,000	\$ -	\$ 4,400	\$ -
8011-70 - Wages - Facility/Janitorial	\$ -	\$ 1,867	\$ -	\$ 14,000	\$ -	\$ 14,000	\$ -	\$ 14,000	\$ -	\$ 14,000	\$ -	\$ 15,400	\$ -
8011-80 - Wages - Security	\$ -	\$ 2,800	\$ -	\$ 21,000	\$ -	\$ 21,000	\$ -	\$ 21,000	\$ -	\$ 21,000	\$ -	\$ 23,100	\$ -
8011-90 - Wages - Administration	\$ -	\$ 3,067	\$ -	\$ 23,000	\$ -	\$ 23,000	\$ -	\$ 23,000	\$ -	\$ 23,000	\$ -	\$ 25,300	\$ -
Total 8011-00 - Wages	\$ -	\$ 30,267	\$ -	\$ 227,000	\$ -	\$ 227,000	\$ -	\$ 227,000	\$ -	\$ 227,000	\$ -	\$ 249,700	\$ -
Total 8110-00 - Medical and Dental	\$ -	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000	\$ -
Total 8117-00 - Payroll Taxes	\$ -	\$ 3,333	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ -
8118-00 - Workers Compensation	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
8210-00 - Travel and Entertainment	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ -
8216-10 - Dry Cleaning	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ 500	\$ -
8220-90 - Pest/Exterminator	\$ -	\$ -	\$ -	\$ 350	\$ -	\$ -	\$ -	\$ 350	\$ -	\$ -	\$ -	\$ 350	\$ -
8311-90 - Facility Lease/Rent	\$ -	\$ -	\$ -	\$ 50,598	\$ -	\$ -	\$ -	\$ 50,598	\$ -	\$ -	\$ -	\$ 52,622	\$ -
8312-90 - Facility CAM	\$ -	\$ -	\$ -	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -
8313-90 - Facility Parking	\$ -	\$ -	\$ -	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -
Total - Facility	\$ -	\$ -	\$ -	\$ 64,448	\$ -	\$ -	\$ -	\$ 64,448	\$ -	\$ -	\$ -	\$ 66,472	\$ -
8314-94 - Fresno Park Tower Utilities	\$ -	\$ -	\$ -	\$ 3,000	\$ -	\$ -	\$ -	\$ 3,000	\$ -	\$ -	\$ -	\$ 3,000	\$ -
8314-90 - PG&E Utilities - Other	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
Total 8314-90 - PG&E Utilities	\$ -	\$ -	\$ -	\$ 28,000	\$ -	\$ -	\$ -	\$ 28,000	\$ -	\$ -	\$ -	\$ 28,000	\$ -
Adequate assurance payment	\$ 34,317	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Exhibit

Page

FINAL

Club One Casino, Inc.
Weekly Cash Budget - Oct 2015 to Dec 2015 (\$ in 000s)

	14-Oct	21-Oct	28-Oct	4-Nov	11-Nov	18-Nov	25-Nov	2-Dec	9-Dec	16-Dec	23-Dec	30-Dec	6-Jan
8315-90 - Telephone	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
8316-92 - Comm General Liability	\$ -	\$ -	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ 8,000	\$ -
8316-94 - Empl Practices Insurance	\$ -	\$ -	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ 8,000	\$ -
Total 8316-90 - Insurance	\$ -	\$ -	\$ -	\$ 16,000	\$ -	\$ -	\$ -	\$ 16,000	\$ -	\$ -	\$ -	\$ 16,000	\$ -
8410-20 - Lease-Casino Equipment	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
8410-81 - Lease-Security Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8410-90 - Lease-Admin Equipment	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ -
Total 8410-00 - Equip Rent/Lease	\$ -	\$ -	\$ -	\$ 26,500	\$ -	\$ -	\$ -	\$ 26,500	\$ -	\$ -	\$ -	\$ 26,500	\$ -
Total 8411-00 - Repair & Maint	\$ -	\$ -	\$ -	\$ 8,500	\$ -	\$ -	\$ -	\$ 8,500	\$ -	\$ -	\$ -	\$ 8,500	\$ -
Total 8412-00 - Office Supplies	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000	\$ -
Total 8413-00 - Operating Supplies	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
Total 8414-00 - Uniforms	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ -
Total 8415-00 - Linens	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
8415-90 - Postage & FedEx	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ 500	\$ -
8510-80 - Auto Repair & Maintenance	\$ -	\$ -	\$ -	\$ 3,000	\$ -	\$ -	\$ -	\$ 3,000	\$ -	\$ -	\$ -	\$ 3,000	\$ -
8610-90 - Advertising & Marketing	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
8611-90 - Sales Promotions	\$ -	\$ -	\$ -	\$ 7,500	\$ -	\$ 25,000	\$ -	\$ 7,500	\$ -	\$ -	\$ -	\$ 7,500	\$ -
8709-90 - Payroll Processing Fees	\$ -	\$ -	\$ -	\$ 3,000	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000	\$ -
8710-90 - Bank & Credit Card Charges	\$ -	\$ -	\$ -	\$ 3,000	\$ -	\$ -	\$ -	\$ 3,000	\$ -	\$ -	\$ -	\$ 3,000	\$ -
8710-92 - Armoured Car Service	\$ -	\$ -	\$ -	\$ 800	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ -
8710-94 - Alarm-Fire Monitoring	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ 500	\$ -
8711-90 - Taxes and Licenses	\$ -	\$ -	\$ -	\$ 3,500	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000	\$ -
8712-10 - Computer & IT Systems	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ -
8713-10 - City Table Tax	\$ -	\$ -	\$ -	\$ -	\$ 95,000	\$ -	\$ -	\$ -	\$ 95,000	\$ -	\$ -	\$ -	\$ -
8713-20 - State Table Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8713-22 - Gaming Applications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8713-30 - Property Tax	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000	\$ -
8716-10 - Prop Reimbursement	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -
8716-90 - Other Prof'l Services	\$ -	\$ -	\$ -	\$ 9,500	\$ -	\$ -	\$ -	\$ 9,500	\$ -	\$ -	\$ -	\$ 9,500	\$ -
8718-10 - Royalty Payment	\$ -	\$ -	\$ -	\$ 13,000	\$ -	\$ -	\$ -	\$ 13,000	\$ -	\$ -	\$ -	\$ -	\$ 13,000
8719-00 - Membership/Dues	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ 7,100
8719-90 - Donations	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000
8720-10 - Subscriptions	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000
8722-90 - Hotel/Cab- Cust & Guests	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000
8724-90 - Events/Musicians/DJs	\$ -	\$ -	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ 2,500
8913-41 - Decorations	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ 500
8913-44 - Miscellaneous	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000
8913-40 - Banq & Event Center - Other	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ 500
Total 8913-40 - Banquet & Event	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000
8919-90 - Miscellaneous Expense	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000

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FINAL

Club One Casino, Inc.
Weekly Cash Budget - Oct 2015 to Dec 2015 (\$ in 000s)

	<u>14-Oct</u>	<u>21-Oct</u>	<u>28-Oct</u>	<u>4-Nov</u>	<u>11-Nov</u>	<u>18-Nov</u>	<u>25-Nov</u>	<u>2-Dec</u>	<u>9-Dec</u>	<u>16-Dec</u>	<u>23-Dec</u>	<u>30-Dec</u>	<u>6-Jan</u>
3100 - Jackpot and Promo items	\$ -	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Total operating disbursements	\$ 34,317	\$ 103,600	\$ 60,000	\$ 658,748	\$ 155,000	\$ 352,000	\$ 65,000	\$ 655,448	\$ 155,000	\$ 322,000	\$ 60,000	\$ 655,172	\$ 88,600
Adequate protection payments	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Professional Expenses													
William Zender	\$ -	\$ -	\$ -	\$ -	\$ 12,500	\$ -	\$ -	\$ -	\$ 12,500	\$ -	\$ -	\$ -	\$ 12,500
Glass-Ratner	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ 15,000
Unsecured committee counsel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
United States Trustee fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Klein DeNatale Goldner	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Law Offices of John Maloney	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8714-90 - Accounting Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ -
Dowling Aaron, Inc.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Professional Expenses	\$ -	\$ -	\$ -	\$ -	\$ 37,500	\$ -	\$ -	\$ -	\$ 32,500	\$ -	\$ -	\$ 10,000	\$ 27,500
Chip Redemption - Arise	\$ -	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000
Total Cash Disbursements	\$ 34,317	\$ 218,600	\$ 175,000	\$ 823,748	\$ 307,500	\$ 467,000	\$ 180,000	\$ 820,448	\$ 302,500	\$ 437,000	\$ 175,000	\$ 780,172	\$ 281,100
Ending Cash	\$ 742,683	\$ 922,083	\$ 1,145,083	\$ 884,335	\$ 969,835	\$ 905,835	\$ 1,118,835	\$ 836,387	\$ 901,887	\$ 832,887	\$ 1,025,887	\$ 834,048	\$ 955,948

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FINAL

Club One Casino, Inc.
Weekly Cash Budget - Oct 2015 to Dec 2015 (\$ in 000s)

	13-Jan	20-Jan	27-Jan	3-Feb	10-Feb	17-Feb	24-Feb	2-Mar	9-Mar	16-Mar	23-Mar	30-Mar	Total
Beginning Cash on Hand	\$ 955,948	\$ 799,248	\$ 1,027,248	\$ 638,676	\$ 953,676	\$ 744,476	\$ 972,476	\$ 833,776	\$ 1,031,426	\$ 760,726	\$ 978,726	\$ 861,026	\$ 760,726
Cash Receipts - Casino	\$ 235,000	\$ 235,000	\$ 235,000	\$ 235,000	\$ 235,000	\$ 235,000	\$ 235,000	\$ 240,000	\$ 240,000	\$ 240,000	\$ 240,000	\$ 240,000	\$ 5,455,000
Cash Receipts - F&B	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 1,205,000
Credit card reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory reductions - liquor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Marketing payments - Arise	\$ -	\$ -	\$ -	\$ 170,000	\$ -	\$ -	\$ -	\$ 170,000	\$ -	\$ -	\$ -	\$ 170,000	\$ 20,000
One-time reimbursement - Arise	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,020,000
Chips redeemed for payment - Arise	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 50,333
Total cash collections	\$ 400,000	\$ 400,000	\$ 400,000	\$ 570,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 575,000	\$ 405,000	\$ 405,000	\$ 405,000	\$ 575,000	\$ 10,510,333
ATM replenishment - from cage	\$ (210,000)	\$ (210,000)	\$ (210,000)	\$ (210,000)	\$ (210,000)	\$ (210,000)	\$ (210,000)	\$ (210,000)	\$ (210,000)	\$ (210,000)	\$ (210,000)	\$ (210,000)	\$ (5,040,000)
ATM reimbursement - from bank	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 5,040,000
ATM/Cash advance fee income	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 72,000
Cash collection ATM (net)	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 72,000
Purchases - Kitchen	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 384,000
Purchases - Beverages - non-alcoholic	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 72,000
Purchases - Beverages - alcoholic	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 168,000
Purchases - Grinders Cafe	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 24,000
Purchases - Gift Shop	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 72,000
Total purchases	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 720,000
8011-10 - Wages - Casino	\$ 126,500	\$ -	\$ 126,500	\$ -	\$ 126,500	\$ -	\$ 126,500	\$ -	\$ 126,500	\$ -	\$ 126,500	\$ -	\$ 1,360,833
8011-20 - Wages - Restaurant	\$ 25,300	\$ -	\$ 25,300	\$ -	\$ 25,300	\$ -	\$ 25,300	\$ -	\$ 25,300	\$ -	\$ 25,300	\$ -	\$ 272,167
8011-30 - Wages - Bar	\$ 4,400	\$ -	\$ 4,400	\$ -	\$ 4,400	\$ -	\$ 4,400	\$ -	\$ 4,400	\$ -	\$ 4,400	\$ -	\$ 47,333
8011-50 - Wages - Servers	\$ 25,300	\$ -	\$ 25,300	\$ -	\$ 25,300	\$ -	\$ 25,300	\$ -	\$ 25,300	\$ -	\$ 25,300	\$ -	\$ 272,167
8011-60 - Wages - Gift Shop	\$ 4,400	\$ -	\$ 4,400	\$ -	\$ 4,400	\$ -	\$ 4,400	\$ -	\$ 4,400	\$ -	\$ 4,400	\$ -	\$ 47,333
8011-70 - Wages - Facility/Janitorial	\$ 15,400	\$ -	\$ 15,400	\$ -	\$ 15,400	\$ -	\$ 15,400	\$ -	\$ 15,400	\$ -	\$ 15,400	\$ -	\$ 165,667
8011-80 - Wages - Security	\$ 23,100	\$ -	\$ 23,100	\$ -	\$ 23,100	\$ -	\$ 23,100	\$ -	\$ 23,100	\$ -	\$ 23,100	\$ -	\$ 248,500
8011-90 - Wages - Administration	\$ 25,300	\$ -	\$ 25,300	\$ -	\$ 25,300	\$ -	\$ 25,300	\$ -	\$ 25,300	\$ -	\$ 25,300	\$ -	\$ 272,167
Total 8011-00 - Wages	\$ 249,700	\$ -	\$ 249,700	\$ -	\$ 249,700	\$ -	\$ 249,700	\$ -	\$ 249,700	\$ -	\$ 249,700	\$ -	\$ 2,686,167
Total 8110-00 - Medical and Dental	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000	\$ -	\$ 210,000
Total 8117-00 - Payroll Taxes	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 288,333
8118-00 - Workers Compensation	\$ -	\$ -	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ 240,000
8210-00 - Travel and Entertainment	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ 7,500
8216-10 - Dry Cleaning	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ 500	\$ 3,000
8220-90 - Pest/Exterminator	\$ -	\$ -	\$ 350	\$ -	\$ -	\$ -	\$ -	\$ 350	\$ -	\$ -	\$ -	\$ 350	\$ 2,100
8311-90 - Facility Lease/Rent	\$ -	\$ -	\$ 52,622	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 206,440
8312-90 - Facility CAM	\$ -	\$ -	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ 36,000
8313-90 - Facility Parking	\$ -	\$ -	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ 36,000
Total - Facility	\$ -	\$ -	\$ 66,972	\$ -	\$ -	\$ -	\$ -	\$ 14,350	\$ -	\$ -	\$ -	\$ 14,350	\$ 291,040
8314-94 - Fresno Park Tower Utilities	\$ -	\$ -	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ -	\$ -	\$ -	\$ 3,000	\$ 18,000
8314-90 - PG&E Utilities - Other	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ 150,000
Total 8314-90 - PG&E Utilities	\$ -	\$ -	\$ 28,000	\$ -	\$ -	\$ -	\$ -	\$ 28,000	\$ -	\$ -	\$ -	\$ 28,000	\$ 168,000
Adequate assurance payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,317

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FINAL

Club One Casino, Inc.
Weekly Cash Budget - Oct 2015 to Dec 2015 (\$ in 000s)

	13-Jan	20-Jan	27-Jan	3-Feb	10-Feb	17-Feb	24-Feb	2-Mar	9-Mar	16-Mar	23-Mar	30-Mar	Total
8315-90 · Telephone	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ 30,000
8316-92 · Comm General Liability	\$ -	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ 8,000	\$ 48,000
8316-94 · Empl Practices Insurance	\$ -	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ 8,000	\$ 48,000
Total 8316-90 · Insurance	\$ -	\$ -	\$ 16,000	\$ -	\$ -	\$ -	\$ -	\$ 16,000	\$ -	\$ -	\$ -	\$ 16,000	\$ 96,000
8410-20 · Lease-Casino Equipment	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ 150,000
8410-81 · Lease-Security Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8410-90 · Lease-Admin Equipment	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ 9,000
Total 8410-00 · Equip Rent/Lease	\$ -	\$ -	\$ 26,500	\$ -	\$ -	\$ -	\$ -	\$ 26,500	\$ -	\$ -	\$ -	\$ 26,500	\$ 159,000
Total 8411-00 · Repair & Maint	\$ -	\$ -	\$ 8,500	\$ -	\$ -	\$ -	\$ -	\$ 8,500	\$ -	\$ -	\$ -	\$ 8,500	\$ 51,000
Total 8412-00 · Office Supplies	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000	\$ 12,000
Total 8413-00 · Operating Supplies	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ 180,000
Total 8414-00 · Uniforms	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ 7,000
Total 8415-00 · Linens	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ 30,000
8415-90 · Postage & FedEx	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ 500	\$ 3,000
8510-80 · Auto Repair & Maintenance	\$ -	\$ -	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ -	\$ -	\$ -	\$ 3,000	\$ 18,000
8610-90 · Advertising & Marketing	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ 150,000
8611-90 · Sales Promotions	\$ -	\$ -	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ 7,500	\$ -	\$ -	\$ -	\$ 7,500	\$ 70,000
8709-90 · Payroll Processing Fees	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000	\$ 13,000
8710-90 · Bank & Credit Card Charges	\$ -	\$ -	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ -	\$ -	\$ -	\$ 3,000	\$ 18,000
8710-92 · Armoured Car Service	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ 5,800
8710-94 · Alarm-Fire Monitoring	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ 500	\$ 3,000
8711-90 · Taxes and Licenses	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000	\$ 13,500
8712-10 · Computer & IT Systems	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ 6,000
8713-10 · City Table Tax	\$ 95,000	\$ -	\$ -	\$ -	\$ 95,000	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 480,000
8713-20 · State Table Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 204,000	\$ 204,000
8713-22 · Gaming Applications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8713-30 · Property Tax	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ 2,000	\$ -	\$ -	\$ 2,000	\$ 14,000
8716-10 · Prop Reimbursement	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 120,000
8716-90 · Other Prof'l Services	\$ -	\$ -	\$ -	\$ 9,500	\$ -	\$ -	\$ -	\$ -	\$ 9,500	\$ -	\$ -	\$ 9,500	\$ 57,000
8718-10 · Royalty Payment	\$ -	\$ -	\$ -	\$ 13,000	\$ -	\$ -	\$ -	\$ 13,000	\$ -	\$ -	\$ -	\$ 13,000	\$ 78,000
8719-00 · Membership/Dues	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000	\$ 17,100
8719-90 · Donations	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ 6,000
8720-10 · Subscriptions	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ 6,000
8722-90 · Hotel/Cab- Cust & Guests	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ 6,000
8724-90 · Events/Musicians/DJs	\$ -	\$ -	\$ -	\$ 2,500	\$ -	\$ -	\$ -	\$ 2,500	\$ -	\$ -	\$ -	\$ 2,500	\$ 18,000
8913-41 · Decorations	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ 500	\$ 3,000
8913-44 · Miscellaneous	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ 6,000
8913-40 · Banq & Event Center - Other	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ 500	\$ 3,000
Total 8913-40 · Banquet & Event	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000	\$ 12,000
8919-90 · Miscellaneous Expense	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ 1,000	\$ -	\$ 6,000

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FINAL

Club One Casino, Inc.
Weekly Cash Budget - Oct 2015 to Dec 2015 (\$ in 000s)

	13-Jan	20-Jan	27-Jan	3-Feb	10-Feb	17-Feb	24-Feb	2-Mar	9-Mar	16-Mar	23-Mar	30-Mar	Total
3100 - Jackpot and Promo items	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 730,000
Total operating disbursements	\$ 444,700	\$ 60,000	\$ 651,172	\$ 93,000	\$ 469,700	\$ 60,000	\$ 411,700	\$ 265,350	\$ 486,200	\$ 60,000	\$ 410,700	\$ 479,850	\$ 7,257,257
Adequate protection payments	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 250,000
Professional Expenses													
William Zender	\$ -	\$ -	\$ -	\$ -	\$ 12,500	\$ -	\$ -	\$ -	\$ 12,500	\$ -	\$ -	\$ -	\$ 62,500
Glass-Ratner	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ 90,000
Unsecured committee counsel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
United States Trustee fees	\$ -	\$ -	\$ 10,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,400
Klein DeNatale Goldner	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Law Offices of John Maloney	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8714-90 - Accounting Fees	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ 55,000
Dowling Aaron, Inc.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Professional Expenses	\$ -	\$ -	\$ 25,400	\$ -	\$ 27,500	\$ -	\$ 15,000	\$ -	\$ 27,500	\$ 15,000	\$ -	\$ -	\$ 217,900
Chip Redemption - Arise	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 2,760,000
Total Cash Disbursements	\$ 559,700	\$ 175,000	\$ 791,572	\$ 258,000	\$ 612,200	\$ 175,000	\$ 541,700	\$ 380,350	\$ 678,700	\$ 190,000	\$ 525,700	\$ 594,850	\$ 10,485,157
Ending Cash	\$ 799,248	\$ 1,027,248	\$ 638,676	\$ 953,676	\$ 744,476	\$ 972,476	\$ 833,776	\$ 1,031,426	\$ 760,726	\$ 978,726	\$ 861,026	\$ 844,176	\$ 844,176

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